

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

In re	§	
	§	
Eastern Livestock Co., LLC	§	Chapter 11
	§	
	§	Case No. 10-93904-BHL-11
Debtor.	§	
	§	Hon. Basil H. Lorch III

**INTERPLEADER PLAINTIFFS' JOINT DISPOSITIVE ISSUE MEMORANDUM ON
CONSTRUCTIVE TRUST ISSUE**

J & F OKLAHOMA HOLDINGS, INC. ("J&F"), FRIONA INDUSTRIES, L.P. ("Friona") and CACTUS GROWERS, INC. ("Cactus") (collectively the "Texas Interpleader Plaintiffs"), submit this memorandum as their "Objector's Dispositive Issue Memorandum" as defined in the Scheduling Order of July 25, 2011 [Doc. No. 622] (the "Scheduling Order").

1. The Scheduling Order required interested parties to state their positions concerning the "Dispositive Issue." The Dispositive Issue concerns whether proceeds from cattle sales to the Debtor by Stockman Oklahoma Marketing, Inc. ("SOLM"), Crumpler Bros. ("Crumpler"), and Brent Keuhny ("Keuhny") (collectively referred to as the "Constructive Trust Objectors") are subject to state law constructive trust claims absent a prepetition judicial determination impressing such a constructive trust over Debtor's assets.

2. The Texas Interpleader Plaintiffs adopt the legal arguments expressed on the Dispositive Issue at section V(A), pages 7 – 10 of the Trustee's Omnibus Reply to Objections to Purchase Money Claims Report [Doc. no. 564].

3. Therefore, the Texas Interpleader Plaintiffs conclude that the Constructive Trust Objectors may pursue a constructive trust theory only if and to the extent they obtained a judgment prepetition that imposed a constructive trust over sales proceeds derived from sales of the Constructive Trust Objectors in the hands of the Debtor.

Respectfully submitted,

David L. LeBas, SBN 12098600
NAMAN HOWELL SMITH & LEE, PLLC
8310 N. Capital of Texas Highway, Ste. 490
Austin, Texas 78731
(512) 479-0300
FAX (512) 474-1901

By: /s/ David L. LeBas
Attorneys for J & F Oklahoma Holdings, Inc.

John J. Lovell
LOVELL, LOVELL, NEWSOM & ISERN, LLP
112 West 8th Avenue, Suite 1000
Eagle Centre Building
Amarillo, Texas 79101-2314
(806) 373-1515
FAX (806) 379-7176

By: /s/ John J. Lovell
Attorneys for Cactus Growers, Inc.

John F. Massouh
John T. Huffaker
SPROUSE SHRADER SMITH, PC
701 S Taylor, Suite 500
P.O. Box 15008
Amarillo, TX 79105-5008
(806) 468-3300
FAX (806) 373-3454

By: /s/ John F. Massouh
Attorneys for Friona Industries, L.P.

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a copy of the foregoing was served on this the 30th day of September, 2011, via electronic and/or U.S. Mail, upon all parties entitled to receive such notice as provided by the electronic case filing system used by the court.

/s/ David L. LeBas